

ALVORD AND ALVORD

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ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

RECORDATION NO. 21070 FILED

DEC 15 '97

2-10 PM

OF COUNSEL  
URBAN A. LESTER

RECORDATION NO. 21070-ABCDEF, G FILED

DEC 15 '97

2-10 PM

RECEIVED  
SURFACE TRANSPORT BOARD  
DEC 15 2 09 PM '97

December 15, 1997

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Master Loan and Security Agreement No. 3458, dated as of December 9, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of each of the following secondary documents related thereto: Loan Schedules No. 01, No. 02 and No. 03 three (3) Full Recourse Assignment Agreements and a Bill of Sale.

The names and addresses of the parties to the enclosed documents are:

Debtors and Assignors:

Relco Locomotives, Inc.  
Jerico of Gonzales, Inc.  
Relco Finance Corp.  
113 Industrial Avenue  
Minooka, IL 60449

Secured Party and Assignee:

Charter Financial, Inc.  
153 East 53<sup>rd</sup> Street  
55<sup>th</sup> Floor  
New York, NY 10022

B, D+F

Primary

Mr. Vernon A. Williams  
December 15, 1997  
Page 2

Bill of Sale

Seller: Houston Mainland Corporation

Buyer: Relco Locomotives, Inc.  
113 Industrial Avenue  
Minooka, IL 60449

A description of the railroad equipment covered by the enclosed documents is:

forty-one (41) locomotives bearing RE reporting marks and road numbers set forth on Schedule A attached to Loan Schedules No. 01, 02 and 03.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg  
Enclosures

**LOAN SCHEDULE NO. 02 UNDER  
MASTER LOAN AND SECURITY AGREEMENT NO. 3458**

Pursuant to a Master Loan and Security Agreement No. 3458 dated 12/8/, 1997 ("Master Agreement") between Charter Financial, Inc. ("Secured Party") having a place of business at 153 East 53rd Street, New York, New York 10022 and Relco Locomotives, Inc. a Illinois corporation, Jerico of Gonzales, Inc. a Louisiana corporation, and Relco Finance Corp. a Illinois corporation, jointly and severally herein referred to as ("Debtor") each having a place of business at 113 Industrial Avenue, Minooka, Illinois 60447, Debtor hereby promises to pay to the order of Secured Party the Loan Amount set forth in the schedule of obligations below, in installments in the amounts and at the times specified below. This Loan Schedule incorporates the terms and conditions of the Master Agreement and constitutes an Agreement as referred to in the Master Agreement. Terms used herein which are defined in the Master Agreement shall have the meanings as so defined.

The Equipment in which Debtor grants to Secured Party a security interest in accordance with the provisions of the Master Agreement is set forth and described in Schedule A annexed hereto and made a part hereof. Said Equipment shall be located at n/a at all times until all payments hereunder have been paid in full.

**SCHEDULE OF OBLIGATIONS**

Loan Amount	\$ 907,500.00
Documentation Fees	\$ -0-
Interest	\$ 302,414.16
Time Balance	\$1,209,914.16
Term of Loan	84 Months
Number of Payments	Eighty-Four (84)
Payments Payable	<u>Advance</u>
Amount of Each Payment	\$14,403.74

RECORDATION NO. 210240 FILED  
DEC 15 '97 2-10PM

Debtor agrees to pay the Time Balance to Secured Party in eighty-four (84) installments as follows: (a) an advance rental payment in the amount of \$14,403.74 due and payable on or before execution of this Agreement followed by (b) Eighty-Three (83) additional monthly payments of \$14,403.74 payable on the 10th day of each month, commencing on 12/10/, 1997 and continuing on the like date of each month thereafter through and including 12/10 /, 2004.

The Debtor agrees to all the provisions set forth above. This Agreement is executed pursuant to due authorization. DEBTOR ACKNOWLEDGES RECEIPT OF A SIGNED TRUE COPY OF THIS AGREEMENT.

Accepted on December 9, 19 97

Date December 8 1997

**CHARTER FINANCIAL, INC**  
(Secured Party)

**RELCO LOCOMOTIVES, INC.** (Debtor)  
(Signature of Proprietor or name of Corporation or Partnership)

By [Signature]  
Its Vice President  
(Title of Officer)

By [Signature]  
Its C. E. O.  
(if Corporation, President or Vice President should sign and give official title; if Partnership, state partner)

**JERICO OF GONZALES, INC.** (Debtor)  
Signature of Proprietor or name of Corporation or Partnership)

**RELCO FINANCE CORP.** (Debtor)  
(Signature of Proprietor or name of Corporation or Partnership)

By [Signature]  
Its Vice President  
(if Corporation, President or Vice President should sign and give official title; if Partnership, state partner)

By [Signature]  
Its President  
(if Corporation, President or Vice President should sign and give official title; if Partnership, state partner)

**DEBTOR: RELCO LOCOMOTIVES, INC.,  
JERICO OF GONZALES, INC.,  
RELCO FINANCE CORP., AND  
113 INDUSTRIAL AVENUE  
MINOOKA, ILLINOIS 60447**

**PAGE #: 1**

**SECURED PARTY: CHARTER FINANCIAL, INC.  
153 EAST 53rd STREET  
NEW YORK, NEW YORK 10022**

**LOAN SCHEDULE NO. 02  
TO ML&SA #: 3458**

**SCHEDULE "A"**

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<u>QTY.</u>	<u>ROAD #/DESCRIPTION</u>
2	<b>EMD MODEL SW1200, 1200 HORSEPOWER LOCOMOTIVES:</b> Road Nos. RE1291 RE1292
1	<b>EMD MODEL SW8 DIESEL ELECTRIC LOCOMOTIVES:</b> Manufacturer: General Motors Corporation Electro-Motive Division LaGrange, Illinois  Horsepower: 800 HP Road Nos: RE903 Number of Axles: Four Gear Ratio: 62:15 Approximate Loaded Weight 230,000 lbs. Air Brake Equipment: 26L Engine Model Number: 8-567-CR Generator Model Number: D15C; D25C Auxiliary Generator: 10KW Traction Motor Model Number: D77B Full Capacity: 600 Gallons
3	<b>EMD MODEL SW1200 DIESEL ELECTRIC LOCOMOTIVE:</b> Manufacturer: General Motors Corporation Electro-Motive Division LaGrange, Illinois  Horsepower: 1200 HP Road Nos: RE1288; 1290; RE1293 (inclusive) Number of Axles: Four Gear Ratio: 62:15 Approximate Loaded Weight 248,000 lbs. Air Brake Equipment: 6BL or 26L Engine Model Number: 12-567-B; 12567-BC; 12-567-C Generator Model Number: D15C Auxiliary Generator: 10KW Traction Motor Model Number: D27B; D77B (mixture) Full Capacity: 600 - 750 Gallons

**AND ALL ADDITIONS, ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS, REPLACEMENTS, REPAIRS, IMPROVEMENTS, BETTERMENTS AND APPURTENANCES OF WHATEVER DESCRIPTION OR NATURE WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND ALL PROCEEDS, INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS.**

**DEBTOR: RELCO LOCOMOTIVES, INC.,  
JERICO OF GONZALES, INC.,  
RELCO FINANCE CORP., AND  
113 INDUSTRIAL AVENUE  
MINOOKA, ILLINOIS 60447**

**PAGE #: 2**

**SECURED PARTY: CHARTER FINANCIAL, INC.  
153 EAST 53rd STREET  
NEW YORK, NEW YORK 10022**

**LOAN SCHEDULE NO. 02  
TO ML&SA #: 3458**

**SCHEDULE "A"**

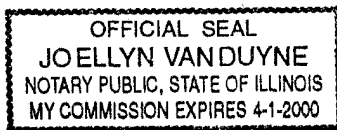
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<u>QTY.</u>	<u>ROAD #/DESCRIPTION</u>
5	<b>EMD MODEL GP9 DIESEL ELECTRIC LOCOMOTIVES:</b> Manufacturer: General Motors Corporation Electro-Motive Division LaGrange, Illinois  Horsepower: 1750 HP Road Nos: RE1602; RE1612; RE1613; RE1614; RE1622 Number of Axles: Four Gear Ratio: 62:15 Approximate Loaded Weight 240,000 lbs. Air Brake Equipment: 24RL or 26L Engine Model Number: 16-567-BC; 16-567-C Generator Model Number: D12 Auxiliary Generator: 10KW Traction Motor Model Number: D27B -- D77B (mixture) Full Capacity: 1200 Gallons

**AND ALL ADDITIONS, ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS, REPLACEMENTS,  
REPAIRS, IMPROVEMENTS, BETTERMENTS AND APPURTENANCES OF WHATEVER  
DESCRIPTION OR NATURE WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND ALL  
PROCEEDS, INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS.**

STATE OF Illinois }  
 } ss.:  
COUNTY OF }  
Grundy

On this 8<sup>th</sup> day of December, 1997 before me, personally appeared Donald L. Bachman to me personally known, who being by me duly sworn, says that he is the CEO of Relco Locomotives, Inc., that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



Joellyn Vanduyne  
Notary Public

(SEAL)

STATE OF NEW YORK }  
 } ss.:  
COUNTY OF NEW YORK }

On this 9<sup>th</sup> day of December, 1997 before me, personally appeared Brian Twomey to me personally known, who being by me duly sworn, says that he is the Vice President of Charter Financial, Inc., that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

LSB

Notary Public

(SEAL)

LOUISA L. BAKER  
Notary Public, State of New York  
No. 31-4955650  
Qualified in Westchester County  
Commission Expires September 5, 1999

STATE OF Illinois }  
 } ss.:  
COUNTY OF Grundy }

On this 8<sup>th</sup> day of December 1997 before me, personally appeared Donald L. Bachman to me personally known, who being by me duly sworn, says that he is the VP of Jerico of Gonzales, Inc., that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

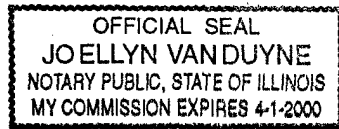


Joellyn Vanduyne  
Notary Public

(SEAL)

STATE OF Illinois }  
 } ss.:  
COUNTY OF Grundy }

On this 8<sup>th</sup> day of December, 1997 before me, personally appeared Donald L. Bachman to me personally known, who being by me duly sworn, says that he is the President of Relco Finance Corp., that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



Joellyn Vanduyne  
Notary Public

(SEAL)